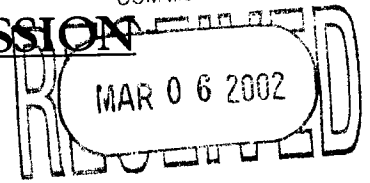


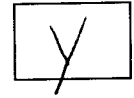
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ARIZONA CORPORATION
COMMISSION



Director of Utilities

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02255A
YARNELL WATER IMPROVEMENT
P. O. BOX 727
YARNELL AZ 85362-

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
----	----	------

FOR COMMISSION USE

ANN04	01
-------	----

Processed by:

3-7-02 Gm

SCANNED

COMPANY INFORMATION

Company Name (Business Name) YARNELL WATER IMPROVEMENT ASSOCIATION

Mailing Address PO BOX 727
(Street)

YARNELL ARIZONA
(City)

85362
(State) (Zip)

(928) 427-3321
Telephone No. (Include Area Code)

(928) 427-0243
Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address MHORNER@W3AZ.NET

Local Office Mailing Address _____
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: BURNES DICKSON PRESIDENT
(Name) (Title)

PO BOX 463
(Street)

YARNELL ARIZONA
(City)

85362
(State) (Zip)

(928) 427-3321

(928) 427-0243

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: TAMMY S. ZUDELL
(Name)

PO BOX 727
(Street)

YARNELL ARIZONA
(City)

85362
(State) (Zip)

(928) 427-3321

(928) 427-0243

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: TAMMY S. ZUDELL
(Name)

22805 WEST CACTUS WREN LA. CONGRESS AZ 85332
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: T. BECK OF MURPHY, LUT EY, SCHMITT, & BECK PLLC
(Name)

PO BOX 591 YARNELL ARIZONA 85362
(Street) (City) (State) (Zip)

(928) 445-6860
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☐ Sole Proprietor (S) ☐ C Corporation (C) (Other than Association/Co-op)
- ☐ Partnership (P) ☐ Subchapter S Corporation (Z)
- ☐ Bankruptcy (B) ☐ Association/Co op (A)
- ☐ Receivership (R) ☐ Limited Liability Company
- ☒ Other (Describe) CORPORATION

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	24,471	-0-	24,471
302	Franchises	37,864	-0-	37,864
303	Land and Land Rights	13,952	-0-	13,952
304	Structures and Improvements	34,944	21,829	13,115
307	Wells and Springs	43,568	43,568	-0-
311	Pumping Equipment	55,751	37,396	18,355
320	Water Treatment Equipment	44,809	30,242	14,567
330	Distribution Reservoirs and Standpipes	156,220	81,338	74,882
331	Transmission and Distribution Mains	561,139	279,261	281,878
333	Services	-0-	-0-	-0-
334	Meters and Meter Installations	82,022	71,333	10,689
335	Hydrants	53,390	25,330	28,060
336	Backflow Prevention Devices	-0-	-0-	-0-
339	Other Plant and Misc. Equipment	84,945	52,761	32,184
340	Office Furniture and Equipment	10,717	8,091	2,626
341	Transportation Equipment	17,424	17,424	-0-
343	Tools, Shop and Garage Equipment	6,471	5,397	1,074
344	Laboratory Equipment	-0-	-0-	-0-
345	Power Operated Equipment	-0-	-0-	-0-
346	Communication Equipment	-0-	-0-	-0-
347	Miscellaneous Equipment	-0-	-0-	-0-
348	Other Tangible Plant	317,511	286,053	15,516
	TOTALS	1,532,256	963,023	569,233

This amount goes on the Balance Sheet Acct. No. 108


COMPANY NAME

YARNELL WATER IMPROVEMENT ASSOCIATION INC

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	24,471	NA	na
302	Franchises	37,864	NA	NA
303	Land and Land Rights	13,952	NA	NA
304	Structures and Improvements	34,944	2.4	838
307	Wells and Springs	43,568	3.3	1,398
311	Pumping Equipment	55,751	3.6	2,072
320	Water Treatment Equipment	44,809	2.8	1,577
330	Distribution Reservoirs and Standpipes	156,220	6.66	3,484
331	Transmission and Distribution Mains	561,139	2.0	11,299
333	Services	-0-	-0-	-0-
334	Meters and Meter Installations	82,022	3.3	2,845
335	Hydrants	53,390	5.0	1,819
336	Backflow Prevention Devices	-0-	-0-	-0-
339	Other Plant and Misc. Equipment	84,945	4.0	2,093
340	Office Furniture and Equipment	10,717	6.8	729
341	Transportation Equipment	17,424	5 YRS	-0-
343	Tools, Shop and Garage Equipment	6,471	3.6	710
344	Laboratory Equipment	-0-	-0-	-0-
345	Power Operated Equipment	-0-	-0-	-0-
346	Communication Equipment	-0-	-0-	-0-
347	Miscellaneous Equipment	-0-	-0-	-0-
348	Other Tangible Plant	317,511	7.7	13,615
	TOTALS	1,532,256		42,479

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.



BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds	86,763	94,883
135	Temporary Cash Investments	63,968	52,531
141	Customer Accounts Receivable	264	358
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	2,527	2,536
174	Miscellaneous Current and Accrued Assets	100	100
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 169,392	\$168,044
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,529,462	\$1,532,256
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(922,456)	(963,023)
121	Non-Utility Property	62,335	62,335
122	Accumulated Depreciation – Non Utility	(42,076)	(43,634)
	TOTAL FIXED ASSETS	\$ 627,265	\$ 587,934
	TOTAL ASSETS	\$ 796,657	\$ 755,978

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 2,516	\$ 2,379
232	Notes Payable (Current Portion)	26,514	28,469
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	14,467	14,051
236	Accrued Taxes	5,944	5,735
237	Accrued Interest	1,382	1,519
241	Miscellaneous Current and Accrued Liabilities	116	2,922
	TOTAL CURRENT LIABILITIES	\$ 50,939	\$ 55,075
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$489,755	\$ 462,049
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	653,995	653,995
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$653,995	\$653,995
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	288	288
215	Retained Earnings	(371,806)	(386,960)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 796,657	\$755,978
	TOTAL LIABILITIES AND CAPITAL	\$ 796,657	\$ 755,978

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 190,718	\$ 200,838
460	Unmetered Water Revenue	7,020	1,755
474	Other Water Revenues		
	TOTAL REVENUES	\$ 197,738	\$ 202,593
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 80,431	\$ 75,645
610	Purchased Water		
615	Purchased Power	8,355	8,098
618	Chemicals	1,890	1,764
620	Repairs and Maintenance	8,169	18,907
621	Office Supplies and Expense	10,140	11,819
630	Outside Services	11,054	11,488
635	Water Testing	638	2,387
641	Rents	699	1,138
650	Transportation Expenses	3,394	3,703
657	Insurance – General Liability	6,372	6,394
659	Insurance - Health and Life	1,440	1,800
666	Regulatory Commission Expense – Rate Case	120	10
675	Miscellaneous Expense	3,472	5,083
403	Depreciation Expense	42,479	42,126
408	Taxes Other Than Income	6,673	7,044
408.11	Property Taxes	11,070	11,470
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 196,396	\$ 208,976
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 7,399	\$ 7,446
421	Non-Utility Income	880	10,888
426	Miscellaneous Non-Utility Expenses	415	3,062
427	Interest Expense	25,843	24,143
	TOTAL OTHER INCOME/EXP	\$ (17,979)	\$ (8,871)
	NET INCOME/(LOSS)	\$ (16,637)	\$ (15,154)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	06/25/74	04/25/75		
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 769,000.00	\$ 100,000.00	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	5%	5%		
Current Year Interest	\$ 22,646.66	\$ 2,959.57	\$	\$
Current Year Principle	\$ 22,939.66	\$ 3,024.43	\$	\$

Meter Deposit Balance at Test Year End	<u>\$ 14,051.30</u>
Meter Deposits Refunded During the Test Year	<u>\$ 1,255.00</u>

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
WELL # 1 CAPPED				
616737	7 1/2	240	16 "	4 "
616736	5	230	16 "	4 "
WELL # 4 CAPPED				
WELL # 5 CAPPED				

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
STANDPIPE		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	2	77	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1		
250,000	2		

YARNELL WATER IMPROVEMENT ASSOCIATION
STATISTICAL INFORMATION

Total number of customers 525

Total number of gallons sold 4,716,000 gallons

COMPANY NAME YARNELL WATER IMPROVEMENT ASSOCIATION YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 4504
Estimated or Actual Federal Tax Liability

State Taxable Income Reported 1519
Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3/4/02
DATE

BURNESS DICKSON
PRINTED NAME

PRESIDENT
TITLE

COMPANY NAME YARNELL WATER IMPROVEMENT ASSOCIATION **YEAR ENDING 12/31/2001**

WATER AND SEWER UTILITIES ONLY

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 10,861.60

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

YARNELL WATER IMPROVEMENT ASSOCIATION

ARIZONA CORPORATION
COMMISSION

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

RECEIVED
MAR 06 2002

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

YAVAPAI

NAME (OWNER OR OFFICIAL) TITLE

BURNES DICKSON, PRESIDENT

COMPANY NAME

YARNELL WATER IMPROVEMENT ASSOCIATION INC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**FOR THE YEAR ENDING**

MONTH

DAY

YEAR

12

31

2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 220,927

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 13,168

IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Burnes Dickson

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER _____

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

3

DAY OF

COUNTY NAME

MONTH

2002

(SEAL)

MY COMMISSION EXPIRES

June 13, 2002

SIGNATURE OF NOTARY PUBLIC

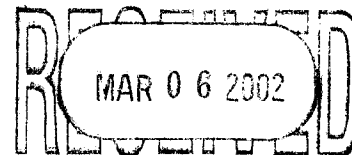


OFFICIAL SEAL
MARIE F. HORNER
Notary Public - State of Arizona
YAVAPAI COUNTY
My Comm. Expires June 13, 2002

**YARNELL WATER IMPROVEMENT ASSOCIATION INC
VERIFICATION**

**AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) YAVAPAI	
NAME (OWNER OR OFFICIAL) BURNES DICKSON	TITLE PRESIDENT
COMPANY NAME YARNELL WATER IMPROVEMENT ASSOCIATION INC	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>220,927.00</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 13,168.00
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

<u>3</u>

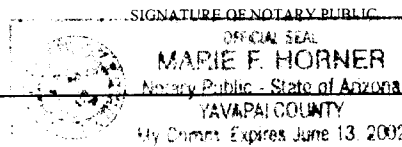
DAY OF

(SEAL)

MY COMMISSION EXPIRES

June 13, 2002

NOTARY PUBLIC NAME	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>March</u>	YEAR <u>2002</u>



2000 24 930-75-270-6 RR 9867

YARNELL WATER IMPROVEMENT ASSN.

P.O. BOX 727 427-3321
YARNELL, AZ 85362



91-564
1221

PAY**Three Thousand Seven Hundred Thirty Six Dollars and .22/100**

TO
THE
ORDER
OF

ROSS D. JACOBS
YAVAPAI CO. TREAS.

DATE
4/12/01

AMOUNT
3,736.22

Y.W.I.A. O & M ACCOUNT

Pamela A. Mill
Philip James Connor

⑈009867⑈ ⑆122105647⑆ ⑈8221591401⑈ ⑈0000373622⑈

Security Features included
Details on Page 2

2000 24 930-75-200-5 RR 9868

YARNELL WATER IMPROVEMENT ASSN.

P.O. BOX 727 427-3321
YARNELL, AZ 85362



91-564
1221

PAY**One Thousand Three Hundred Ninety Dollars and .36/100**

TO
THE
ORDER
OF

ROSS D. JACOBS
YAVAPIA CO. TREAS.

DATE
4/12/01

AMOUNT
1,390.36

Y.W.I.A. O & M ACCOUNT

Pamela A. Mill
Philip James Connor

⑈009868⑈ ⑆122105647⑆ ⑈8221591401⑈ ⑈0000139036⑈

Security Features included
Details on Page 2

YALBAMA
COUNTY
TREASURER

0112 06778

[illegible]

100

280000485 9601 9601 00 04-20

AP 101 17

122100024

ONE ARIZONA, N.A.
ARIZONA

9 8 7 6 5 4 3 2 1 0

YAVAPAI
COUNTY
TREASURER

01205780

1122190024
1122190024
1122190024
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1122190024

53

280000486 9601 9601 00 04-20-0

AP 10 10

122100024

ONE ARIZONA, N.A.
PHOENIX, ARIZONA

75-69572

YARNELL WATER IMPROVEMENT ASSOC.

P. O. BOX 727 928-427-3321
YARNELL, AZ 85362-0727

**STOCKMEN'S
BANK**

Yarnell Branch 22555 Broadway Road
Yarnell, AZ 85362

1145

DATE October 1, 2001

91-504/1221
39

PAY *** ONE THOUSAND FOUR HUNDRED EIGHTY SIX -and- 09/100 *** DOLLARS \$ 1,486.09

TO
THE
ORDER
OF
Ross D. Jacobs County Treasurer

James J. Viano
Burns W. O'Keefe

⑈001145⑈ ⑆122105045⑆ 3901000228⑈

⑈0000148609⑈

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CREDIT TO PAYEE'S ACCT
ENDORSEMENT GUARANTEED
BANK ONE, PHOENIX, AZ
1221-00024

17 01 04

122100024

BANK ONE, ARIZONA, N.A.
PHOENIX, ARIZONA

154710833

122100024